

Message Text

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ACTION AGR-20

INFO OCT-01 EA-11 ADP-00 COME-00 EB-11 TRSE-00 OMB-01

CIAE-00 INR-10 NSAE-00 RSC-01 RSR-01 /056 W

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R 160500Z AUG 73

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 1515

LIMITED OFFICIAL USE SECTION 1 OF 2 CANBERRA 4571

PASS AGRICULTURE FOR REPORTS OFFICER, FAS/W

E.O. 11652: N/A

TAGS: EAGR, EGEN, AS

SUBJ: SPECIAL QUARTERLY REPORT LIVESTOCK AND MEAT

REF: CODE: 13C

SUMMARY:

1. BEEF AND VEAL PRODUCTION CALENDAR YEAR 1973 NOW FORECAST AT 1.43 MILLION LONG TONS CARCASS WEIGHT OR ABOUT 10 PERCENT ABOVE PREVIOUS YEAR. EXCELLENT PASTORAL CONDITIONS NOW BEING EXPERIENCED CAUSING STRONG DEMAND FOR STORE STOCK WHILE EXISTING CATTLE ON FARMS BEING RETAINED FOR FATTENING AND UTILIZATION OF PASTURE. IN QUEENSLAND HEAVY RAIN HAS HAMPERED MOVEMENT OF STOCK TO MARKETS, FURTHER CURTAILING EXPORT SUPPLIES. HEAVY SLAUGHTER OF CATTLE PAST YEAR CAUSED SLOWING DOWN OF GROWTH IN BEEF CATTLE NUMBERS, AND MANY FARMERS NOW UNDER STOCKED. CONSEQUENTLY, IF HERD IS TO BE INCREASED AT RATE OF RECENT YEARS SOME SLOW-DOWN IN SLAUGHTER IS INEVITABLE DESPITE HIGH PRICES NOW OFFERED.

2. BEEF AND VEAL EXPORT DURING 1973 ARE LIKELY TO TOTAL 560,000 LONG TONS PRODUCT WEIGHT, OF WHICH 330,000 TONS TO US. THIS MEANS INCREASE IN US SHIPMENTS OF ABOUT 10 PERCENT OVERALL EXPORTS ABOUT 12 PERCENT. ABOUT 130,000 TONS WERE SHIPPED TO US DURING JAN/JUNE, LEAVING 200,000 TONS FOR SECOND HALF OF

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1973. HIGHER PRICES HAVE NOT YET HAD ANY IMPACT ON US DEMAND,

AND OFFERS WERE INCREASED OVER LAST THREE WEEKS BY 24 CENTS US PER POUND TO ABOUT US DOLLARS 1.08 PER LB. C.I.F. 90 PERCENT VISIBLE LEAN COW BEEF. THERE HAS BEEN LITTLE REACTION FROM UK AND EC BUYERS ON INCREASED US OFFERS. INDICATIONS ARE THAT EC LEVY WILL BE BACK ON MEAT FROM MID SEPTEMBER, THIS MAY CAUSE DEMAND FROM EC AND UK TO EASE IN COMING MONTHS.

3. MUTTON PRODUCTION DURING 1973 SHARPLY REDUCED FOLLOWING STEEP FALL IN SHEEP NUMBERS AND HIGH WOOL PRICES. EXCELLENT SEASONAL CONDITIONS FURTHER AGGRAVATED SHORTAGE OF SHEEP, WITH EWES VIRTUALLY UNPROCURABLE. SHEEP SHORTAGE IS LEADING MANY GRAZIERS INTO CATTLE TO UTILIZE FEED DESPITE HIGH COST OF STOCKERS. IT IS CLEAR THAT THE SLAUGHTER RATE FOR SHEEP AND LAMB WILL BE WELL DOWN FOR A FEW YEARS TO COME IF CURRENT WOOL PRICES HOLD. ALTHOUGH SLAUGHTER WAS STILL FAIRLY GOOD IN EARLY PART OF YEAR, A SHARP FALL BECAME EVIDENT IN APRIL AND WILL BE MAINTAINED FOR REMAINDER OF 1973. CONSEQUENTLY, MUTTON PRODUCTION IS EXPECTED TO DECLINE BY 35 PERCENT DURING 1973 TO ABOUT 350,000 LONG TONS CARCASS WEIGHT. EVEN THIS FIGURE MAY BE SOMEWHAT OPTIMISTIC. SHARP REDUCTION IN DOMESTIC USE WILL MAKE REASONABLE VOLUME AVAILABLE FOR EXPORT, NOW ESTIMATED AT 140,300 TONS PRODUCT WEIGHT. ONLY SMALL AMOUNT WILL GO TO US AND OTHER MARKETS NOT PREPARED PAY CURRENT HIGH PRICES. JAPAN, CANADA AND MIDDLE EAST WILL BE MAJOR BUYERS DURING 1973. EARLIER REPORTS SPECULATING ON LAMB IMPORTS FROM NEW ZEALAND NOW DISCOUNTED, AS SUPPLIES IN THAT COUNTRY ALSO SHORT. LITTLE LAMB WILL BE AVAILABLE FOR EXPORT FROM AUSTRALIA LATER THIS YEAR, AS DOMESTIC MARKET STRONG AND SLAUGHTER EXPECTED 25 PERCENT DOWN ON LAST YEAR. REPORTED MATINGS FOR FAT LAMBS FOR 1973/74 ARE DOWN 17 PERCENT ON LAST SEASON, BUT THERE WAS AN INCREASE IN EWE MATINGS FOR WOOL PRODUCERS OF 6 PERCENT. OBVIOUSLY, MOST SHEEP FARMERS HAVE TAKEN THE LONGER VIEW AND OPTED FOR WOOL RATHER THAN FAT LAMB. END SUMMARY

PART A - BEEF AND VEAL

1971 1972 1973 PREL. EST.

I. NUMBERS ON FARMS '000 HEAD 24,373 27,373 28,975

A) CATTLE SLAUGHTERED '000 5,043 6,107 6,900

B) CALVES SLAUGHTERED '000 1,050 1,281 1,300

II. 1973 MEAT PRODUCTION FORECAST

EXCELLENT SEASONAL CONDITIONS ARE BEING EXPERIENCED OVER VIRTUALLY THE ENTIRE CONTINENT SINCE LATE RAINS COMMENCED IN EARLY JULY. LIMITED OFFICIAL USE

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MILD WEATHER HAS ENCOURAGED PASTURE GROWTH AND IN MANY DISTRICTS GRAZING CONDITIONS ARE THE BEST FOR A NUMBER OF YEARS. AS A RESULT, DEMAND FOR RESTOCKING IS STRONG AND IS LIKELY TO LIMIT MARKETINGS FOR SOME TIME. HOWEVER, THIS MAY BE OFFSET BY INCREASED SALES IN SOUTHERN DISTRICTS ENCOURAGED BY HIGH EXPORT PRICES. MARKETINGS IN QUEENSLAND TO DATE HAVE ALSO BEEN LOWER THAN EXPECTED DUE TO HEAVY UNSEASONAL RAINS WHICH LIMITED MOVEMENT OF CATTLE TO MARKET. LARGER MARKETINGS MAY BE EXPECTED IN EARLY SUMMER, AND CONSEQUENTLY IT

APPEARS LIKELY THAT PEAK KILLING SEASON WILL BE EXTENDED INTO OCT-
 OBER AND NOVEMBER. SLAUGHTER OF CATTLE DURING FIRST SIX MONTHS 1973
 WAS ABOUT 0.65 MILLION HEAD ABOVE COMPARABLE PERIOD IN 1972.
 SLAUGHTER DURING REMAINDER OF YEAR EXPECTED SIMILAR OR ONLY SLIGHTLY
 ABOVE 1972 AND HENCE TOTAL KILL NOW ESTIMATED 6.9 MILLION. LITTLE
 CHANGE IN CALF SLAUGHTER EXPECTED FROM LAST YEAR, ALTHOUGH CURRENT
 PRESSURES TO PROHIBIT SLAUGHTER OF CALVES FOR EXPORT COULD REDUCE
 OUTPUT LATTER PART 1973. CATTLE SLAUGHTER WEIGHTS SOMEWHAT LOWER
 THAN LAST YEAR DURING FIRST SIX MONTHS OF 1973.

A) PRODUCTION (LONG TONS CARCASS WEIGHT

	1971	1972	1973 EST
BEEF	1,047,855	1,254,633	1,380,000
VEAL	38,270	45,827	47,000
TOTAL	1,086,125	1,300,460	1,427,000

B) S&D BEEF AND VEAL CARCASS WEIGHT EQUIVALENT IN LONG TONS

SUPPLY

1. STOCKS JAN. 1	28,476	43,977	45,713
2. PRODUCTION	1,086,125	1,300,460	1,427,763
3. IMPORTS	329	41	50
4. TOTAL SUPPLY	1,114,930	1,344,478	1,472,763

DISTRIBUTION:

1. DOMESTIC CONSUMPTION

INC. CANNED	502,997	517,749	520,000
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2. EXPORTS:

BONE-IN BEEF	39,880	10,350	12,000 A)
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BONELESS BEEF	491,647	717,100	825,000
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VEAL	6,429	18,566	30,000
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CANNED	30,000	35,000	40,000
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3. ENDING STOCKS	43,977	45,713	45,763
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4. TOTAL DISTRIBUTION	1,114,930	1,344,478	1,472,763
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ACTION AGR-20

INFO OCT-01 EA-11 ADP-00 EB-11 COME-00 TRSE-00 OMB-01

CIAE-00 INR-10 NSAE-00 RSC-01 RSR-01 /056 W

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R 160500Z AUG 73

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 1516

LIMITED OFFICIAL USE SECTION 2 OF 2 CANBERRA 4571

PASS AGRICULTURE FOR REPORTS OFFICER, FAS/W

E.O. 11652: N/A

TAGS: EAGR, EGEN, ASAS

SUBJ: SPECIAL QUARTERLY REPORT LIVESTOCK AND MEAT

REF : CODE: 13C

NOTE: PRODUCT WEIGHT X 1.54 EQUALS CWE

A) BONE-IN BEEF EXPORTS ESTIMATED ON ASSUMPTION NO SALES TO
USSR THIS YEAR

III 1. AUSTRALIAN MEAT BOARD HAS SUSPENDED ALL DIVERSIFICATION REQUIREMENTS FOR EXPORTS DURING 1973. WITH HIGH PRICES NOW RULING IN MOST IMPORTING COUNTRIES, MEAT EXPORT DIVERSIFICATION SCHEME HAS ACHIEVED ITS OBJECTIVES OF AVOIDING ABSOLUTE DEPENDENCE ON THE US MARKET AND DEVELOPING MARKETS IN OTHER PARTS OF THE WORLD. INCREASING CONSUMPTION IN JAPAN, WHERE PREDICTIONS ARE FOR A 140,000 TON BEEF IMPORT QUOTA FOR APRIL/MARCH 1973/74 ,AND STRONGER DEMAND FROM THE UK, CANADA AND OTHERS WILL HOLD EXPORTS TO US AT LOWER THAN EXPECTED LEVELS. FORECAST BEEF AND VEAL EXPORTS TO US BY QUARTERS DURING CALENDAR 1973, IN LONG TONS PRODUCT WEIGHT, AS FOLLOWS:

	1972	1973 EST
1ST QUARTER	48,800	62,100 (ACTUAL)

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2ND QUARTER	81,200	62,100 (ACTUAL)
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3RD QUARTER	100,500	120,000
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4TH QUARTER	73,038	79,300
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TOTAL CALENDAR YEAR	303,538	330,000
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NOTE: INCLUDES ALLOWANCE FOR REJECTIONS OF ABOUT 6,000 TONS.

2. BEEF AND VEAL EXPORTS BY DESTINATION 1972 AND ESTIMATE 1973,
IN LONG TONS PRODUCT WEIGHT

	1972	1973 EST.
US	303,538	330,000
CANADA	27,852	30,000
UK	75,875	80,000
EEC	4,721	5,000
JAPAN	51,902	90,000

MALAYSIA	2,990	3,000
USSR	NIL	NIL
OTHERS	30,078	32,000
	496,956	560,000

NOTE: EXPOETS TO JAPAN REVISED DONWARD AS 70,000 TONS QUOTA
 APRIL/SEPTEMBER NOW VIRTUALLY FILLED, AND COLD STORAGE
 CONGESTION IN JAPANESE PORTS UNLIKELY TO EASE UNTIL LATTER PART
 OF 1973. SHIPMENTS TO JAPAN SECOND HALF OF YEAR EXPECTED
 WELL BELOW JAN /JULY PERIOD.

PART B- SHEEP AND MUTTON	1971	1972	1973
I. NUMBERS ON FARMS '000HEAD	177,792	162,910	142,336
A) SHEEP SLAUGHTERED '000	28,763	27,971	18,000
B) LAMBS SLAUGHTERED '000	21,364	20,965	15,000

ABOVE 1973 PREL. EST.

NOTE: SHEEP AND LAMB SLAUGHTER SHARPLY REVISED DOWNWARD DUE HIGH
 WOOL PRICE AND CONSEQUENT ENCOURAGEMENT TO BUILD UP FLOCKS.
 GOOD SEASONAL AND PASTURE CONDITIONS IN SHEEP/WHEAT BELT
 ADDITIONAL FACTOR, WHILE TOTAL SHEEP NUMBERS MUCH LOWER THAN
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EARLIER ANTICIPATED.

II. S&D MUTTON CARCASS WEIGHT EQUIVALENT IN LONG TONS.

A) SUPPLY	1971	1972	1973 EST.
STOCKS JAN 1.	29,781	38,840	29,620
PRODUCTION	556,850	524,982	350,000
IMPORTS	NIL	NIL	NIL
TOTAL SUPPLY	586,631	563,822	79,620

B) DISTRIBUTION

DOMESTIC CONSUMPTION			
INC. CANNED	253,572	247,537	130,000
EXPORTS:			
NONE-IN AND BONLESS	280,219	271,665	210,000
CANNED	14,000	15,000	14,000
ENDING STOCKS	38,840	29,620	25,620
TOTAL DISTRIBUTION	586,631	563,822	279,620

NOTE: PRODUCT WEIGHT BONED MUTTON X2 317-) :23

III. EXPORTS OF MUTTON, PRODUCT WEIGHT IN LONG TONS, BY DESTINATION

	1971	1972	1973
US	14,952	25,829	7,000
CANADA	10,306	19,919	10,500
UK	12,128	15,366	8,000
EEC	2,161	3,839	2,000
JAPAN	60,485	75,398	80,000
USSR	NIL	NIL	NIL
MALAYSIA	4,287	4,377	800
MIDDLE EAST	6,049	10,349	15,000
OTHERS	35,348	30,301	17,000
	177,346	185,378	140,300

NOTE: LARGER MUTTON MARKETS NOW FULLY COMPETITIVE WITH US OFFER PRICE, AND IN VIEW HIGH REJECTION RATE OTHER MARKETS MORE ATTRACTIVE. THIS REFLECTED IN SHARP DROP IN EXPORTS IN US LIMITED OFFICIAL USE

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AND DIVERSION TO JAPAN PARTICULARLY. PRESENT INDICATION SHIPMENTS TO US LOWER THAN FIRST PROJECTED , AND MAY NOT EXCEED 7,000 TONS. EXPORTS TO US BY QUARTERS FOR 1973 AS FOLLOWS:

	1972	1973 EST.
1ST QUARTER	8,644	1,830 (ACTUAL)
2ND QUARTER	9,933	1,742 (ACTUAL)
3RD QUARTER	3,171	1,500
4TH QUARTER	4,081	2,072

TOTAL CALENDAR YEAR 25,829 7,000
 SUPPLIES OF LAMBS ARE EXTREMELY SHORT, AND SLAUGHTER IS EXPECTED TO BE 25 PERCENT DOWN ON 1972. ACCORDINGLY , ONLY NEGLIGIBLE AMOUNTS OF LAMB WILL BE AVAILABLE FOR EXPORT THIS SEASON. CURRENT ACUTION PRICES OF 30.PP TO 35.30 DOLLARS US ARE HIGHEST ON RECORD FOR PRIME LAMBS 29-36 LB CARCASS WEIGHT.
 GREEN
 DECONTROL AFTET AUGUST 1, 1974

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Message Attributes

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